

**[DISCUSSION DRAFT]**

SEPTEMBER 22, 2003

1     **TITLE \_\_\_\_—ARCTIC COASTAL**  
2     **PLAIN DOMESTIC ENERGY**

3     **SEC. \_\_\_\_01. SHORT TITLE.**

4         This title may be cited as the “Arctic Coastal Plain  
5 Domestic Energy Security Act of 2003”.

6     **SEC. \_\_\_\_02. DEFINITIONS.**

7         In this title:

8             (1) COASTAL PLAIN.—The term “Coastal  
9 Plain” means that area identified as such in the  
10 map entitled “Arctic National Wildlife Refuge”,  
11 dated August 1980, as referenced in section 1002(b)  
12 of the Alaska National Interest Lands Conservation  
13 Act of 1980 (16 U.S.C. 3142(b)(1)), comprising ap-  
14 proximately 1,549,000 acres, and as described in ap-  
15 pendix I to part 37 of title 50, Code of Federal Reg-  
16 ulations.

17             (2) SECRETARY.—The term “Secretary”, except  
18 as otherwise provided, means the Secretary of the  
19 Interior or the Secretary’s designee.

20     **SEC. \_\_\_\_03. LEASING PROGRAM FOR LANDS WITHIN THE**  
21     **COASTAL PLAIN.**

22             (a) IN GENERAL.—The Secretary shall take such ac-  
23 tions as are necessary—

1           (1) to establish and implement in accordance  
2           with this Act a competitive oil and gas leasing pro-  
3           gram under the Mineral Leasing Act (30 U.S.C. 181  
4           et seq.) that will result in an environmentally sound  
5           program for the exploration, development, and pro-  
6           duction of the oil and gas resources of the Coastal  
7           Plain; and

8           (2) to administer the provisions of this title  
9           through regulations, lease terms, conditions, restric-  
10          tions, prohibitions, stipulations, and other provisions  
11          that ensure the oil and gas exploration, development,  
12          and production activities on the Coastal Plain will  
13          result in no significant adverse effect on fish and  
14          wildlife, their habitat, subsistence resources, and the  
15          environment, and including, in furtherance of this  
16          goal, by requiring the application of the best com-  
17          mercially available technology for oil and gas explo-  
18          ration, development, and production to all explo-  
19          ration, development, and production operations  
20          under this title in a manner that ensures the receipt  
21          of fair market value by the public for the mineral re-  
22          sources to be leased.

23          (b) REPEAL.—Section 1003 of the Alaska National  
24          Interest Lands Conservation Act of 1980 (16 U.S.C.  
25          3143) is repealed.

1 (c) COMPLIANCE WITH REQUIREMENTS UNDER CER-  
2 TAIN OTHER LAWS.—

3 (1) COMPATIBILITY.—For purposes of the Na-  
4 tional Wildlife Refuge System Administration Act of  
5 1966, the oil and gas leasing program and activities  
6 authorized by this section in the Coastal Plain are  
7 deemed to be compatible with the purposes for which  
8 the Arctic National Wildlife Refuge was established,  
9 and that no further findings or decisions are re-  
10 quired to implement this determination.

11 (2) ADEQUACY OF THE DEPARTMENT OF THE  
12 INTERIOR'S LEGISLATIVE ENVIRONMENTAL IMPACT  
13 STATEMENT.—The “Final Legislative Environ-  
14 mental Impact Statement” (April 1987) on the  
15 Coastal Plain prepared pursuant to section 1002 of  
16 the Alaska National Interest Lands Conservation  
17 Act of 1980 (16 U.S.C. 3142) and section 102(2)(C)  
18 of the National Environmental Policy Act of 1969  
19 (42 U.S.C. 4332(2)(C)) is deemed to satisfy the re-  
20 quirements under the National Environmental Policy  
21 Act of 1969 that apply with respect to actions au-  
22 thorized to be taken by the Secretary to develop and  
23 promulgate the regulations for the establishment of  
24 a leasing program authorized by this title before the  
25 conduct of the first lease sale.

1           (3) COMPLIANCE WITH NEPA FOR OTHER AC-  
2           TIONS.—Before conducting the first lease sale under  
3           this title, the Secretary shall prepare an environ-  
4           mental impact statement under the National Envi-  
5           ronmental Policy Act of 1969 with respect to the ac-  
6           tions authorized by this title that are not referred to  
7           in paragraph (2). Notwithstanding any other law,  
8           the Secretary is not required to identify nonleasing  
9           alternative courses of action or to analyze the envi-  
10          ronmental effects of such courses of action. The Sec-  
11          retary shall only identify a preferred action for such  
12          leasing and a single leasing alternative, and analyze  
13          the environmental effects and potential mitigation  
14          measures for those two alternatives. The identifica-  
15          tion of the preferred action and related analysis for  
16          the first lease sale under this title shall be completed  
17          within 18 months after the date of the enactment of  
18          this Act. The Secretary shall only consider public  
19          comments that specifically address the Secretary's  
20          preferred action and that are filed within 20 days  
21          after publication of an environmental analysis. Not-  
22          withstanding any other law, compliance with this  
23          paragraph is deemed to satisfy all requirements for  
24          the analysis and consideration of the environmental  
25          effects of proposed leasing under this title.

1 (d) RELATIONSHIP TO STATE AND LOCAL AUTHOR-  
2 ITY.—Nothing in this title shall be considered to expand  
3 or limit State and local regulatory authority.

4 (e) SPECIAL AREAS.—

5 (1) IN GENERAL.—The Secretary, after con-  
6 sultation with the State of Alaska, the city of  
7 Kaktovik, and the North Slope Borough, may des-  
8 ignate up to a total of 45,000 acres of the Coastal  
9 Plain as a Special Area if the Secretary determines  
10 that the Special Area is of such unique character  
11 and interest so as to require special management  
12 and regulatory protection. The Secretary shall des-  
13 ignate as such a Special Area the Sadlerochit Spring  
14 area, comprising approximately 4,000 acres as de-  
15 picted on the map referred to in section \_\_\_\_02(1).

16 (2) MANAGEMENT.—Each such Special Area  
17 shall be managed so as to protect and preserve the  
18 area's unique and diverse character including its  
19 fish, wildlife, and subsistence resource values.

20 (3) EXCLUSION FROM LEASING OR SURFACE  
21 OCCUPANCY.—The Secretary may exclude any Spe-  
22 cial Area from leasing. If the Secretary leases a Spe-  
23 cial Area, or any part thereof, for purposes of oil  
24 and gas exploration, development, production, and

1 related activities, there shall be no surface occu-  
2 pancy of the lands comprising the Special Area.

3 (4) DIRECTIONAL DRILLING.—Notwithstanding  
4 the other provisions of this subsection, the Secretary  
5 may lease all or a portion of a Special Area under  
6 terms that permit the use of horizontal drilling tech-  
7 nology from sites on leases located outside the area.

8 (f) LIMITATION ON CLOSED AREAS.—The Sec-  
9 retary's sole authority to close lands within the Coastal  
10 Plain to oil and gas leasing and to exploration, develop-  
11 ment, and production is that set forth in this title.

12 (g) REGULATIONS.—

13 (1) IN GENERAL.—The Secretary shall pre-  
14 scribe such regulations as may be necessary to carry  
15 out this title, including rules and regulations relating  
16 to protection of the fish and wildlife, their habitat,  
17 subsistence resources, and environment of the Coast-  
18 al Plain, by no later than 15 months after the date  
19 of the enactment of this Act.

20 (2) REVISION OF REGULATIONS.—The Sec-  
21 retary shall periodically review and, if appropriate,  
22 revise the rules and regulations issued under sub-  
23 section (a) to reflect any significant biological, envi-  
24 ronmental, or engineering data that come to the Sec-  
25 retary's attention.

1   **SEC. \_\_\_\_04. LEASE SALES.**

2           (a) IN GENERAL.—Lands may be leased pursuant to  
3 this title to any person qualified to obtain a lease for de-  
4 posits of oil and gas under the Mineral Leasing Act (30  
5 U.S.C. 181 et seq.).

6           (b) PROCEDURES.—The Secretary shall, by regula-  
7 tion, establish procedures for—

8               (1) receipt and consideration of sealed nomina-  
9 tions for any area in the Coastal Plain for inclusion  
10 in, or exclusion (as provided in subsection (c)) from,  
11 a lease sale;

12              (2) the holding of lease sales after such nomina-  
13 tion process; and

14              (3) public notice of and comment on designa-  
15 tion of areas to be included in, or excluded from, a  
16 lease sale.

17           (c) LEASE SALE BIDS.—Bidding for leases under  
18 this title shall be by sealed competitive cash bonus bids.

19           (d) ACREAGE MINIMUM IN FIRST SALE.—In the first  
20 lease sale under this title, the Secretary shall offer for  
21 lease those tracts the Secretary considers to have the  
22 greatest potential for the discovery of hydrocarbons, tak-  
23 ing into consideration nominations received pursuant to  
24 subsection (b)(1), but in no case less than 200,000 acres.

25           (e) TIMING OF LEASE SALES.—The Secretary  
26 shall—

1           (1) conduct the first lease sale under this title  
2       within 22 months after the date of the enactment of  
3       this Act; and

4           (2) conduct additional sales so long as sufficient  
5       interest in development exists to warrant, in the Sec-  
6       retary's judgment, the conduct of such sales.

7   **SEC. \_\_\_\_05. GRANT OF LEASES BY THE SECRETARY.**

8       (a) IN GENERAL.—The Secretary may grant to the  
9       highest responsible qualified bidder in a lease sale con-  
10      ducted pursuant to section \_\_\_\_04 any lands to be leased  
11      on the Coastal Plain upon payment by the lessee of such  
12      bonus as may be accepted by the Secretary.

13      (b) SUBSEQUENT TRANSFERS.—No lease issued  
14      under this title may be sold, exchanged, assigned, sublet,  
15      or otherwise transferred except with the approval of the  
16      Secretary. Prior to any such approval the Secretary shall  
17      consult with, and give due consideration to the views of,  
18      the Attorney General.

19   **SEC. \_\_\_\_06. LEASE TERMS AND CONDITIONS.**

20      (a) IN GENERAL.—An oil or gas lease issued pursu-  
21      ant to this title shall—

22           (1) provide for the payment of a royalty of not  
23       less than 12½ percent in amount or value of the  
24       production removed or sold from the lease, as deter-



1       mined by the Secretary under the regulations appli-  
2       cable to other Federal oil and gas leases;

3           (2) provide that the Secretary may close, on a  
4       seasonal basis, portions of the Coastal Plain to ex-  
5       ploratory drilling activities as necessary to protect  
6       caribou calving areas and other species of fish and  
7       wildlife;

8           (3) require that the lessee of lands within the  
9       Coastal Plain shall be fully responsible and liable for  
10      the reclamation of lands within the Coastal Plain  
11      and any other Federal lands that are adversely af-  
12      fected in connection with exploration, development,  
13      production, or transportation activities conducted  
14      under the lease and within the Coastal Plain by the  
15      lessee or by any of the subcontractors or agents of  
16      the lessee;

17          (4) provide that the lessee may not delegate or  
18      convey, by contract or otherwise, the reclamation re-  
19      sponsibility and liability to another person without  
20      the express written approval of the Secretary;

21          (5) provide that the standard of reclamation for  
22      lands required to be reclaimed under this title shall  
23      be, as nearly as practicable, a condition capable of  
24      supporting the uses which the lands were capable of  
25      supporting prior to any exploration, development, or

1 production activities, or upon application by the les-  
2 see, to a higher or better use as approved by the  
3 Secretary;

4 (6) contain terms and conditions relating to  
5 protection of fish and wildlife, their habitat, and the  
6 environment as required pursuant to section  
7 \_\_\_\_03(a)(2);

8 (7) provide that the lessee, its agents, and its  
9 contractors use best efforts to provide a fair share,  
10 as determined by the level of obligation previously  
11 agreed to in the 1974 agreement implementing sec-  
12 tion 29 of the Federal Agreement and Grant of  
13 Right of Way for the Operation of the Trans-Alaska  
14 Pipeline, of employment and contracting for Alaska  
15 Natives and Alaska Native Corporations from  
16 throughout the State;

17 (8) prohibit the export of oil produced under  
18 the lease; and

19 (9) contain such other provisions as the Sec-  
20 retary determines necessary to ensure compliance  
21 with the provisions of this title and the regulations  
22 issued under this title.

23 (b) PROJECT LABOR AGREEMENTS.—The Secretary,  
24 as a term and condition of each lease under this title and  
25 in recognizing the Government's proprietary interest in

1 labor stability and in the ability of construction labor and  
2 management to meet the particular needs and conditions  
3 of projects to be developed under the leases issued pursu-  
4 ant to this title and the special concerns of the parties  
5 to such leases, shall require that the lessee and its agents  
6 and contractors negotiate to obtain a project labor agree-  
7 ment for the employment of laborers and mechanics on  
8 production, maintenance, and construction under the  
9 lease.

10 **SEC. \_\_\_\_07. COASTAL PLAIN ENVIRONMENTAL PROTEC-**  
11 **TION.**

12 (a) NO SIGNIFICANT ADVERSE EFFECT STANDARD  
13 TO GOVERN AUTHORIZED COASTAL PLAIN ACTIVITIES.—  
14 The Secretary shall, consistent with the requirements of  
15 section \_\_\_\_03, administer the provisions of this title  
16 through regulations, lease terms, conditions, restrictions,  
17 prohibitions, stipulations, and other provisions that—

18 (1) ensure the oil and gas exploration, develop-  
19 ment, and production activities on the Coastal Plain  
20 will result in no significant adverse effect on fish  
21 and wildlife, their habitat, and the environment;

22 (2) require the application of the best commer-  
23 cially available technology for oil and gas explo-  
24 ration, development, and production on all new ex-

1        ploration, development, and production operations;  
2        and

3            (3) ensure that the maximum amount of sur-  
4        face acreage covered by production and support fa-  
5        cilities, including airstrips and any areas covered by  
6        gravel berms or piers for support of pipelines, does  
7        not exceed 2,000 acres on the Coastal Plain.

8        (b) SITE-SPECIFIC ASSESSMENT AND MITIGATION.—

9        The Secretary shall also require, with respect to any pro-  
10       posed drilling and related activities, that—

11            (1) a site-specific analysis be made of the prob-  
12        able effects, if any, that the drilling or related activi-  
13        ties will have on fish and wildlife, their habitat, and  
14        the environment;

15            (2) a plan be implemented to avoid, minimize,  
16        and mitigate (in that order and to the extent prac-  
17        ticable) any significant adverse effect identified  
18        under paragraph (1); and

19            (3) the development of the plan shall occur  
20        after consultation with the agency or agencies hav-  
21        ing jurisdiction over matters mitigated by the plan.

22        (c) REGULATIONS TO PROTECT COASTAL PLAIN  
23        FISH AND WILDLIFE RESOURCES, SUBSISTENCE USERS,  
24        AND THE ENVIRONMENT.—Before implementing the leas-  
25       ing program authorized by this title, the Secretary shall

1 prepare and promulgate regulations, lease terms, condi-  
2 tions, restrictions, prohibitions, stipulations, and other  
3 measures designed to ensure that the activities undertaken  
4 on the Coastal Plain under this title are conducted in a  
5 manner consistent with the purposes and environmental  
6 requirements of this title.

7 (d) COMPLIANCE WITH FEDERAL AND STATE ENVI-  
8 RONMENTAL LAWS AND OTHER REQUIREMENTS.—The  
9 proposed regulations, lease terms, conditions, restrictions,  
10 prohibitions, and stipulations for the leasing program  
11 under this title shall require compliance with all applicable  
12 provisions of Federal and State environmental law and  
13 shall also require the following:

14 (1) Standards at least as effective as the safety  
15 and environmental mitigation measures set forth in  
16 items 1 through 29 at pages 167 through 169 of the  
17 “Final Legislative Environmental Impact State-  
18 ment” (April 1987) on the Coastal Plain.

19 (2) Seasonal limitations on exploration, develop-  
20 ment, and related activities, where necessary, to  
21 avoid significant adverse effects during periods of  
22 concentrated fish and wildlife breeding, denning,  
23 nesting, spawning, and migration.

24 (3) That exploration activities, except for sur-  
25 face geological studies, be limited to the period be-

1       tween approximately November 1 and May 1 each  
2       year and that exploration activities shall be sup-  
3       ported by ice roads, winter trails with adequate snow  
4       cover, ice pads, ice airstrips, and air transport meth-  
5       ods, except that such exploration activities may  
6       occur at other times, if the Secretary finds that such  
7       exploration will have no significant adverse effect on  
8       the fish and wildlife, their habitat, and the environ-  
9       ment of the Coastal Plain.

10       (4) Design safety and construction standards  
11       for all pipelines and any access and service roads,  
12       that—

13               (A) minimize, to the maximum extent pos-  
14               sible, adverse effects upon the passage of mi-  
15               gratory species such as caribou; and

16               (B) minimize adverse effects upon the flow  
17               of surface water by requiring the use of cul-  
18               verts, bridges, and other structural devices.

19       (5) Prohibitions on public access and use on all  
20       pipeline access and service roads.

21       (6) Stringent reclamation and rehabilitation re-  
22       quirements, consistent with the standards set forth  
23       in this title, requiring the removal from the Coastal  
24       Plain of all oil and gas development and production  
25       facilities, structures, and equipment upon completion

1 of oil and gas production operations, except that the  
2 Secretary may exempt from the requirements of this  
3 paragraph those facilities, structures, or equipment  
4 that the Secretary determines would assist in the  
5 management of the Arctic National Wildlife Refuge  
6 and that are donated to the United States for that  
7 purpose.

8 (7) Appropriate prohibitions or restrictions on  
9 access by all modes of transportation.

10 (8) Appropriate prohibitions or restrictions on  
11 sand and gravel extraction.

12 (9) Consolidation of facility siting.

13 (10) Appropriate prohibitions or restrictions on  
14 use of explosives.

15 (11) Avoidance, to the extent practicable, of  
16 springs, streams, and river system; the protection of  
17 natural surface drainage patterns, wetlands, and ri-  
18 parian habitats; and the regulation of methods or  
19 techniques for developing or transporting adequate  
20 supplies of water for exploratory drilling.

21 (12) Avoidance or reduction of air traffic-re-  
22 lated disturbance to fish and wildlife.

23 (13) Treatment and disposal of hazardous and  
24 toxic wastes, solid wastes, reserve pit fluids, drilling  
25 muds and cuttings, and domestic wastewater, includ-

1       ing an annual waste management report, a haz-  
2       ardous materials tracking system, and a prohibition  
3       on chlorinated solvents, in accordance with applica-  
4       ble Federal and State environmental law.

5           (14) Fuel storage and oil spill contingency plan-  
6       ning.

7           (15) Research, monitoring, and reporting re-  
8       quirements.

9           (16) Field crew environmental briefings.

10          (17) Avoidance of significant adverse effects  
11       upon subsistence hunting, fishing, and trapping by  
12       subsistence users.

13          (18) Compliance with applicable air and water  
14       quality standards.

15          (19) Appropriate seasonal and safety zone des-  
16       ignations around well sites, within which subsistence  
17       hunting and trapping shall be limited.

18          (20) Reasonable stipulations for protection of  
19       cultural and archeological resources.

20          (21) All other protective environmental stipula-  
21       tions, restrictions, terms, and conditions deemed  
22       necessary by the Secretary.

23       (e) CONSIDERATIONS.—In preparing and promul-  
24       gating regulations, lease terms, conditions, restrictions,



1 prohibitions, and stipulations under this section, the Sec-  
2 retary shall consider the following:

3 (1) The stipulations and conditions that govern  
4 the National Petroleum Reserve-Alaska leasing pro-  
5 gram, as set forth in the 1999 Northeast National  
6 Petroleum Reserve-Alaska Final Integrated Activity  
7 Plan/Environmental Impact Statement.

8 (2) The environmental protection standards  
9 that governed the initial Coastal Plain seismic explo-  
10 ration program under parts 37.31 to 37.33 of title  
11 50, Code of Federal Regulations.

12 (3) The land use stipulations for exploratory  
13 drilling on the KIC-ASRC private lands that are set  
14 forth in Appendix 2 of the August 9, 1983, agree-  
15 ment between Arctic Slope Regional Corporation and  
16 the United States.

17 (f) FACILITY CONSOLIDATION PLANNING.—

18 (1) IN GENERAL.—The Secretary shall, after  
19 providing for public notice and comment, prepare  
20 and update periodically a plan to govern, guide, and  
21 direct the siting and construction of facilities for the  
22 exploration, development, production, and transpor-  
23 tation of Coastal Plain oil and gas resources.

24 (2) OBJECTIVES.—The plan shall have the fol-  
25 lowing objectives:

1 (A) Avoiding unnecessary duplication of fa-  
2 cilities and activities.

3 (B) Encouraging consolidation of common  
4 facilities and activities.

5 (C) Locating or confining facilities and ac-  
6 tivities to areas that will minimize impact on  
7 fish and wildlife, their habitat, and the environ-  
8 ment.

9 (D) Utilizing existing facilities wherever  
10 practicable.

11 (E) Enhancing compatibility between wild-  
12 life values and development activities.

13 (g) ACCESS TO PUBLIC LANDS.—The Secretary  
14 shall—

15 (1) manage public lands in the Coastal Plain  
16 subject to subsections (a) and (b) of section 811 of  
17 the Alaska National Interest Lands Conservation  
18 Act (16 U.S.C. 3121); and

19 (2) ensure that local residents shall have rea-  
20 sonable access to public lands in the Coastal Plain  
21 for traditional uses.

22 **SEC. \_\_\_\_08. EXPEDITED JUDICIAL REVIEW.**

23 (a) FILING OF COMPLAINT.—

24 (1) DEADLINE.—Subject to paragraph (2), any  
25 complaint seeking judicial review of any provision of

1       this title or any action of the Secretary under this  
2       title shall be filed in any appropriate district court  
3       of the United States—

4               (A) except as provided in subparagraph  
5               (B), within the 90-day period beginning on the  
6               date of the action being challenged; or

7               (B) in the case of a complaint based solely  
8               on grounds arising after such period, within 90  
9               days after the complainant knew or reasonably  
10              should have known of the grounds for the com-  
11              plaint.

12             (2) VENUE.—Any complaint seeking judicial re-  
13             view of an action of the Secretary under this title  
14             may be filed only in the United States Court of Ap-  
15             peals for the District of Columbia.

16             (3) LIMITATION ON SCOPE OF CERTAIN RE-  
17             VIEW.—Judicial review of a Secretarial decision to  
18             conduct a lease sale under this title, including the  
19             environmental analysis thereof, shall be limited to  
20             whether the Secretary has complied with the terms  
21             of this title and shall be based upon the administra-  
22             tive record of that decision. The Secretary's identi-  
23             fication of a preferred course of action to enable  
24             leasing to proceed and the Secretary's analysis of  
25             environmental effects under this title shall be pre-

1       sumed to be correct unless shown otherwise by clear  
2       and convincing evidence to the contrary.

3       (b) LIMITATION ON OTHER REVIEW.—Actions of the  
4 Secretary with respect to which review could have been  
5 obtained under this section shall not be subject to judicial  
6 review in any civil or criminal proceeding for enforcement.

7   **SEC. \_\_\_\_09. FEDERAL AND STATE DISTRIBUTION OF REVE-**  
8                   **NUES.**

9       (a) IN GENERAL.—Notwithstanding any other provi-  
10 sion of law, of the amount of adjusted bonus, rental, and  
11 royalty revenues from oil and gas leasing and operations  
12 authorized under this title—

13           (1) 50 percent shall be paid to the State of  
14 Alaska; and

15           (2) except as provided in section \_\_\_\_12(d) the  
16 balance shall be deposited into the Treasury as mis-  
17 cellaneous receipts.

18       (b) PAYMENTS TO ALASKA.—Payments to the State  
19 of Alaska under this section shall be made semiannually.

20       (c) USE OF BONUS PAYMENTS FOR LOW-INCOME  
21 HOME ENERGY ASSISTANCE.—Amounts that are received  
22 by the United States as bonuses for leases under this title  
23 and deposited into the Treasury under subsection (a)(2)  
24 may be appropriated to the Secretary of the Health and  
25 Human Services, in addition to amounts otherwise avail-

1 able, to provide assistance under the Low-Income Home  
2 Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.).

3 **SEC. \_\_\_\_ 10. RIGHTS-OF-WAY ACROSS THE COASTAL PLAIN.**

4 (a) EXEMPTION.—Title XI of the Alaska National In-  
5 terest Lands Conservation Act of 1980 (16 U.S.C. 3161  
6 et seq.) shall not apply to the issuance by the Secretary  
7 under section 28 of the Mineral Leasing Act (30 U.S.C.  
8 185) of rights-of-way and easements across the Coastal  
9 Plain for the transportation of oil and gas.

10 (b) TERMS AND CONDITIONS.—The Secretary shall  
11 include in any right-of-way or easement referred to in sub-  
12 section (a) such terms and conditions as may be necessary  
13 to ensure that transportation of oil and gas does not result  
14 in a significant adverse effect on the fish and wildlife, sub-  
15 sistence resources, their habitat, and the environment of  
16 the Coastal Plain, including requirements that facilities be  
17 sited or designed so as to avoid unnecessary duplication  
18 of roads and pipelines.

19 (c) REGULATIONS.—The Secretary shall include in  
20 regulations under section \_\_\_\_03(g) provisions granting  
21 rights-of-way and easements described in subsection (a)  
22 of this section.

23 **SEC. \_\_\_\_ 11. CONVEYANCE.**

24 In order to maximize Federal revenues by removing  
25 clouds on title to lands and clarifying land ownership pat-

1    terns within the Coastal Plain, the Secretary, notwith-  
2    standing the provisions of section 1302(h)(2) of the Alas-  
3    ka National Interest Lands Conservation Act (16 U.S.C.  
4    3192(h)(2)), shall convey—

5           (1) to the Kaktovik Inupiat Corporation the  
6           surface estate of the lands described in paragraph 1  
7           of Public Land Order 6959, to the extent necessary  
8           to fulfill the Corporation's entitlement under section  
9           12 of the Alaska Native Claims Settlement Act (43  
10          U.S.C. 1611) in accordance with the terms and con-  
11          ditions of the Agreement between the Department of  
12          the Interior, the United States Fish and Wildlife  
13          Service, the Bureau of Land Management, and the  
14          Kaktovik Inupiat Corporation effective January 22,  
15          1993; and

16          (2) to the Arctic Slope Regional Corporation  
17          the remaining subsurface estate to which it is enti-  
18          tled pursuant to the August 9, 1983, agreement be-  
19          tween the Arctic Slope Regional Corporation and the  
20          United States of America.

21   **SEC. \_\_\_\_ 12. LOCAL GOVERNMENT IMPACT AID AND COM-**  
22                   **MUNITY SERVICE ASSISTANCE.**

23          (a) FINANCIAL ASSISTANCE AUTHORIZED.—

24           (1) IN GENERAL.—The Secretary may use  
25          amounts available from the Coastal Plain Local Gov-

1       ernment Impact Aid Assistance Fund established by  
2       subsection (d) to provide timely financial assistance  
3       to entities that are eligible under paragraph (2) and  
4       that are directly impacted by the exploration for or  
5       production of oil and gas on the Coastal Plain under  
6       this title.

7               (2) ELIGIBLE ENTITIES.—The North Slope  
8       Borough, Kaktovik, and other boroughs, municipal  
9       subdivisions, villages, and any other community or-  
10      ganized under Alaska State law shall be eligible for  
11      financial assistance under this section.

12      (b) USE OF ASSISTANCE.—Financial assistance  
13      under this section may be used only for—

14              (1) planning for mitigation of the potential ef-  
15      fects of oil and gas exploration and development on  
16      environmental, social, cultural, recreational and sub-  
17      sistence values;

18              (2) implementing mitigation plans and main-  
19      taining mitigation projects;

20              (3) developing, carrying out, and maintaining  
21      projects and programs that provide new or expanded  
22      public facilities and services to address needs and  
23      problems associated with such effects, including fire-  
24      fighting, police, water, waste treatment, medivac,  
25      and medical services; and

1           (4) establishment of a coordination office, by  
2           the North Slope Borough, in the City of Kaktovik,  
3           which shall—

4                   (A) coordinate with and advise developers  
5                   on local conditions, impact, and history of the  
6                   areas utilized for development; and

7                   (B) provide to the Committee on Resources  
8                   of the House of Representatives and the Com-  
9                   mittee on Energy and Natural Resources of the  
10                  Senate an annual report on the status of co-  
11                  ordination between developers and the commu-  
12                  nities affected by development.

13          (c) APPLICATION.—

14                  (1) IN GENERAL.—Any community that is eligi-  
15                  ble for assistance under this section may submit an  
16                  application for such assistance to the Secretary, in  
17                  such form and under such procedures as the Sec-  
18                  retary may prescribe by regulation.

19                  (2) NORTH SLOPE BOROUGH COMMUNITIES.—A  
20                  community located in the North Slope Borough may  
21                  apply for assistance under this section either directly  
22                  to the Secretary or through the North Slope Bor-  
23                  ough.

24                  (3) APPLICATION ASSISTANCE.—The Secretary  
25                  shall work closely with and assist the North Slope



1       Borough and other communities eligible for assist-  
2       ance under this section in developing and submitting  
3       applications for assistance under this section.

4       (d) ESTABLISHMENT OF FUND.—

5           (1) IN GENERAL.—There is established in the  
6       Treasury the Coastal Plain Local Government Im-  
7       pact Aid Assistance Fund.

8           (2) USE.—Amounts in the fund may be used  
9       only for providing financial assistance under this  
10      section.

11          (3) DEPOSITS.—Subject to paragraph (4), there  
12      shall be deposited into the fund amounts received by  
13      the United States as revenues derived from rents,  
14      bonuses, and royalties under on leases and lease  
15      sales authorized under this title.

16          (4) LIMITATION ON DEPOSITS.—The total  
17      amount in the fund may not exceed \$11,000,000.

18          (5) INVESTMENT OF BALANCES.—The Sec-  
19      retary of the Treasury shall invest amounts in the  
20      fund in interest bearing government securities.

21      (e) AUTHORIZATION OF APPROPRIATIONS.—To pro-  
22      vide financial assistance under this section there is author-  
23      ized to be appropriated to the Secretary from the Coastal  
24      Plain Local Government Impact Aid Assistance Fund  
25      \$5,000,000 for each fiscal year.